

## Message Text

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51

ACTION OPIC-12

INFO OCT-01 AF-10 ADP-00 EB-11 COME-00 L-03 TRSE-00 AID-20

/057 W

----- 016516

R 061325Z AUG 73

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 9178

UNCLAS LUSAKA 1397

E.O. 11652: N/A

TAGS: EFIN, ZA

SUBJECT: INVESTMENT INSURANCE

FOR OPIC

REF: STATE 148079

1. TIME REQUIRED TO PROCESS APPLICATIONS FOR KWACHA-DOLLAR TRANSFERS VARUES ACCORDING TO TYPE OF TRANSFER, BUT WE HAVE ENCOUNTERED NO COMPLAINTS FROM U.S. OR OTHER FOREIGN COMPANIES ABOUT UNDUE DELAYS OR ADEQUACY OF TRANSFER ARRANGEMENTS. INDIVIDUALS UNDER GRZ-APPROVED EMPLOYMENT CONTRACTS CAN EFFECT TRANSFER IMMEDIATELY. TRANSFERS IN PAYMENT OF IMPORTS NORMALLY REQUIRE PRESENTATION OF EVIDENCE THAT GOODS ARE ACTUALLY IN ZAMBIA, NECESSARY IMPORT PERMITS OFTEN TAKE MONTHS TO OBTAIN. COMPANIES TRANSFERRING PROFITS UP TO ALLOWED LIMIT (SEELLUSAKA 1489, NOVEMBER 4, 1972) NEED ONLY SHOW AUDITED ACCOUNTS AND EVIDENCE APPLICABLE TAXES HAVE PAID, AFTER WHICH TRANSFER NORMALLY TAKES ONE WEEK. TRANSFER OF LARGE SUMS ORIGINATING, FOR EXAMPLE, FROM LIQUIDATION OF INVESTMENTS HERE ARE OFTEN APPROVED ONLY ON GRADUAL BASIS, THOUGH INDIVIDUAL CASES ARE SUBJECT TO NEGOTIATION WITH BANK OF ZAMBIA WHICH WILL CONSIDER INTER ALIA, SIZE OF TRANSFER AND STATE OF GRZ FOREIGN RESERVES.

2. ALL FOREIGN BORROWING MUST BE APPROVED BY BANK OF ZAMBIA. PAYMENTS ON LOAN CAN THEREAFTER BE MADE WITH LITTLE DELAY, PROVIDED RECEIPT FOR PAYMENT OF INTEREST WITHHOLDING TAX IS SHOWN, OR PRO-  
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VIDED LOAN OR LENDER IS SPECIFICALLY EXEMPTED FROM TAX BY MINISTER

OF FINANCE. BANKHOF ZAMBIA CAN LET COMMERCIAL BANKS APPROVE  
TRANSFERS OF UP TO K20,000. REDUCTION OF APPLICABLE RATE OF WITH-  
HOLDING TAX (NOW MAXIMUM OF 20 PERCENT HAS BEEN OBTAINED BS  
SOME COUNTRIES THRU DOUBLE TAXATION CONVENTIONS, USG AND GRZ  
PLANNING TO NEGOTIATE NEW CONVENTION BEGINNING OCTOBER 29, 1973.  
NELSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT GUARANTEES, INVESTMENT LOANS, LOAN INSURANCE, TAX RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973LUSAKA01397  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19730856/aaaaboxl.tel  
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**Office:** ACTION OPIC  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INVESTMENT INSURANCE FOR OPIC  
**TAGS:** EFIN, ZA  
**To:** STATE  
**Type:** TE  
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